

Gas and Electricity Market Authority
c/o Jonathan Coe
Office of Gas and Electricity Markets
10 South Colonnade
Canary Wharf
London
E14 4PU

28 June 2023

Dear Jonathan,

RE: SCR Suitability Assessment Report for Modification Proposal P455 'On-site Aggregation as a method to facilitate Third party Access'

I am writing on behalf of the BSC Panel to submit the BSC Panel's Significant Code Review (SCR) Suitability Assessment Report for Modification Proposal P455 'On-site Aggregation as a method to facilitate Third party Access', in accordance with BSC Section F5.2.2. We believe that P455 should be treated as a **SCR Exempt Modification Proposal**.

P455 was raised by Emergent Energy on 8 June 2023, following the Panel's decision to designate Emergent Energy as a Third Party Proposer (in accordance with BSC Section F 2.1A). We considered the Initial Written Assessment at our meeting on 8 June 2023, where we determined that P455 should be submitted for a seven month Assessment Procedure.

As of the time of writing, we have not received a determination from the Authority that P455 should be treated as a SCR Exempt Modification Proposal, pursuant to BSC Section F5.2.1. Consequently (as required by 5.2.2), we therefore submit our SCR Suitability Assessment Report for P455 in Appendix 1 with our assessment of:

- a) whether such Modification Proposal falls within the scope of a Significant Code Review and its reasons for that assessment;
- b) whether such Modification Proposal is a SCR Modification Proposal; and
- c) any other matters which the Panel considers to be relevant including the urgency or otherwise of the Modification Proposal.

You can view all documentation in relation to P455 on the [P455 webpage](#). If you require any further information, please do not hesitate to contact either me or the Elexon Lead Analyst, Kayleigh Neal, who can be contacted at bsc.change@elexon.co.uk or 020 7380 4175.

Yours sincerely,



Sara Vaughan
BSC Panel Chair

Appendix 1 – SCR Suitability Assessment Report

The BSC Panel's assessment is that P455 should be treated as a **SCR Exempt Modification Proposal**.

The only open SCR we believe is of relevance to P455 is the [Electricity Settlement Reform SCR](#). We provide details of our assessment of this SCR below.

a) Whether P455 falls within the scope of the Electricity Settlement Reform Significant Code Review:

The Panel believes P455 does not fall within the scope of the Electricity Settlement Reform SCR (MHHS). P455 does not impact the current MHHS design. Subject to the P455 Implementation Date, the BSC and Retail Energy Code (REC) MHHS code drafting may need to be updated.

P455 proposes a new method for facilitating Third Party Access on private networks, which private networks owners may choose to use instead of the [existing methods](#) allowed under the BSC. It does not replace the existing methods, rather it adds another one. The application of this new method places additional responsibilities on Half Hourly Data Collectors (HHDCs) and Half Hourly Meter Operator Agents (HHMOAs; also known as Metering Equipment Managers in the Retail Energy Code (REC)) which are not captured in the relevant industry codes (i.e. the BSC and REC).

Our understanding is that Third Party Access to private networks is not part of the MHHS design, as the intent of the processes and rules are not changing. However, the arrangements will need to be carried over from the legacy code artefacts to the new code artefacts as part of the MHHS code drafting activity. This assumption will need to be validated as the P455 solution is developed.

Any additional obligations placed on HHDCs will impact on the initial baselined BSC Procedure 702 – Advanced Data Service drafted by the MHHS Programme. This new BSC Procedure is not part of the current live BSC baseline, but has been drafted as part of the future MHHS baseline.

Similarly, any additional obligations placed on the HHMOAs will impact on the initial baselined REC Metering Operations Schedule drafted by RECCo for the purposes of the MHHS Programme.

None of the central systems being developed for MHHS will be affected by this change.

The reason why we do not believe P455 is in scope of the MHHS SCR is because it is adopting a new method for facilitating Third Party Access which is not part of the MHHS Design. However, it will impact the BSC and REC MHHS code drafting if it is decided to implement P455 prior to MHHS go-live. This is because it will add additional requirements on Data Services and Metering Services, but does not impact the MHHS intention or design. Even if the view is taken that it is in scope of the MHHS SCR, we believe P455 should proceed as planned for the reasons provide in c) below and as permitted by BSC Section F 5.2.6.

b) Is P455 a SCR Modification Proposal?

P455 is not a SCR Modification Proposal. P455 has not been raised by the Transmission Company as a SCR Modification Proposal pursuant to BSC Section F5.3.1, nor by the Authority as a SCR Modification Proposal pursuant to BSC Section F5.3.1A.

c) Any other matters we consider to be relevant:

In assessing in P455 we consider the following to be relevant:

- Emergent Energy submitted a [BSC Sandbox](#) Application (BSB001) which the Authority [approved](#) on 26 May 2021. The Authority approved a 2 year Trial Period from the Commencement Date (29 September 2021), with an additional 1 year Transition Period in the event that a BSC Modification related to the Sandbox trial is raised. Following a successful Trial Period, Emergent Energy raised BSC Modification P455 on 8 June 2023. The Panel do not believe it appropriate to delay the progression of the Modification given the impact this could have on the Proposer and its customers involved in the trial.
- An objection to the sandbox application was received and considered by the Panel and Ofgem. The objection was focussed on the impacts the application could have on MHHS and the diversion of industry time and focus away from MHHS implementation. This same objection was received for the designation request for P455. The Panel did not believe this was a valid reason for refusing designation, but should be considered as part of the Modification Assessment phase.
- P455 will continue as planned unless the Authority determines that it shall be a SCR Subsumed Modification Proposal. If the Authority determines that P455 should be subsumed and notifies the BSC Panel of its determination in accordance with [BSC Section F5.2.5](#), P455 shall not proceed further until the relevant SCR Phase has ended pursuant to Section F 5.1.3. The latest [baselined MHHS implementation timetable](#) indicates that this will not be prior to October 2026 which is the completion date for the migration of Metering Point Administration Numbers (MPANs) from the existing non-Half Hourly Settlement arrangements to the new MHHS arrangements (Milestone M15 in the MHHS implementation timetable). The Panel do not believe it is appropriate, at this stage, to have to wait over three years for the Proposer's issue to be considered, especially given the likely low impact on the MHHS code drafting. Further, this proposal has stemmed from a sandbox application, which is designed to encourage innovation and faster market changes.
- We note that a further SCR Suitability Assessment Report can be requested at any time prior to the Modification being submitted to Ofgem for decision. It should be considered whether this is appropriate once the industry has been consulted on the Proposal, which would include a MHHS Change Request impact assessment.
- If P455 is subsumed and unable to proceed until the Electricity System Reform SCR Phase has ended, the Transition Period will end prior to the implementation of P455 and the derogation will expire. The purpose of the Transition Period as set out in the [BSC Section H10](#) and [BSC Sandbox Procedure](#) is to allow the arrangements of the trial to remain in place while a Modification is underway to make these alterations permanent and open to all BSC Parties. It would be impractical and inefficient for Emergent Energy to have to revert back to previous arrangements to fully comply with

the BSC (without derogation) and reintroduce these if and when P455 is implemented. Moreover, the P455 proposal will not mandate the use of the new method. It will be up to HHDCs and HHMOAs to determine whether to offer this service to Suppliers.

- Even if it is determined that P455 falls within the scope of the Electricity Settlement Reform SCR, the Authority may still allow P455 to proceed pursuant to BSC Section F 5.2.6. In this case, the P455 Workgroup will develop and assess the impact of the solution. P455 will follow the process for business as usual (BAU) code changes that interact with the MHHS Programme. The interaction between BAU code changes and MHHS has been discussed at the Code Change Advisory Group (the MHHS group responsible for delivering the MHHS code drafting) whereby any changes impacting MHHS should be assessed via a MHHS Change Request. This will determine the impacts of P455 on the MHHS design and code drafting and advise a suitable Implementation Date to avoid impacting the MHHS delivery. We note that this process is yet to be used and discussions are on-going at CCAG on its robustness and effectiveness. Collaboration between MHHS and BAU code changes will be critical.

In assessing these criteria, the Panel has not invited representations from parties listed in BSC Section F2.1.10(a) or conducted a consultation pursuant to BSC Section F5.2.3 because we believe that we have sufficient evidence available already to make an assessment.